

# FISCAL NOTE

**Bill #:** HB0368

**Title:** Revise petroleum tank release compensation board laws

**Primary Sponsor:** Devlin, R

**Status:** As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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## Fiscal Summary

	<b><u>FY 2004 Difference</u></b>	<b><u>FY 2005 Difference</u></b>
<b>Expenditures:</b>		
State Special Revenue	\$60,000	\$60,000
<b>Revenue:</b>	\$0	\$0
<b>Net Impact on General Fund Balance:</b>	\$0	\$0

- |   |  |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact    | <input checked="" type="checkbox"/> Technical Concerns           |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           |
| <input type="checkbox"/> Dedicated Revenue Form Attached  | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

## Fiscal Analysis

### ASSUMPTIONS:

1. The Department of Environmental Quality reports that a total of 82 claims have been affected in the last 8 years by the existing two-year requirement. Therefore, it is estimated that in a given year, 10 claims may receive additional claim payment as a result of changes in Section 1 of this bill. The average claim amount has been about \$5,000. Therefore, an additional \$50,000 per year would be reimbursed from the Petroleum Tank Release Compensation Fund (02058) as a result of elimination of the two-year requirement.
2. Under Section 4, it is assumed the Petroleum Tank Release Compensation Board would hire a third-party contractor to conduct 10 work plan reviews (4% of the annual total). With an estimated cost of each review being \$1,000 (10 hours @ \$100 per hour), the annual cost to the fund would be \$10,000.
3. Increased costs as a result of hiring an Executive Director would be offset by other staff reductions.

**Fiscal Note Request HB0368, As Introduced**  
(continued)

FISCAL IMPACT:

**DEQ – Program 40**

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
<u>Expenditures:</u>		
Operating Expenses	\$60,000	\$60,000
<u>Funding of Expenditures:</u>		
State Special Revenue (02058)	\$60,000	\$60,000
<u>Revenues:</u>		
State Special Revenue (02058)	0	0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue (02058)	(\$60,000)	(\$60,000)

TECHNICAL NOTES:

1. Under Section 5 of the bill, it is unclear how the proposed budget/expense approval process would be reconciled with the legislative appropriations process.
2. Costs associated with third-party review would need to be authorized in HB 2 in order to implement Section 4 of this bill.
3. All other costs would be claims costs that are statutorily appropriated.